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Southern District of New York*

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**U.S. CHARGES 11 IN NEW YORK'S JEWELRY DISTRICT WITH
TAKING CASH FOR SMELTED GOLD IN MONEY LAUNDERING SCHEME**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced today the unsealing of criminal Complaints charging 11 individuals at seven different retail or wholesale jewelers - six of which are located on or near the 47th Street jewelry district in Manhattan - with money laundering by accepting cash in exchange for smelted gold items and diamonds they believed were being smuggled to South America.

The Complaints charge that these individuals accepted a total of more than \$1 million in cash, represented during a sting operation to be the proceeds of drug trafficking, in exchange for more than 100 kilograms of gold, which the defendants were told would be smuggled to Colombia, South America. In addition, yesterday afternoon, federal agents executed court-authorized searches at six of the jewelry businesses, including four jewelry businesses on 47th Street and one on 46th Street.

As detailed in the Complaints unsealed today, the arrests of these 11 individuals, which took place late yesterday, were part of an undercover operation that targeted a money laundering method allegedly used by Colombian drug traffickers. Under this method, drug traffickers and money brokers who provide laundering services to the drug traffickers employ couriers to pick up cash at designated locations and deliver the cash to gold jewelers and suppliers. The jewelers or suppliers then exchange the cash for gold or other precious commodities, which are then smuggled to Colombia, either via couriers or secreted in cargo. Once the gold arrives in Colombia, it is sold to gold refiners for Colombian pesos, which are then ultimately delivered to the narcotics traffickers.

As described in the Complaints, as part of the undercover operation, undercover law enforcement agents, cooperating witnesses and informants delivered a total of more than \$1 million in cash to different wholesale and retail jewelry businesses which had been identified as having participated previously in this laundering method. When delivering these funds, the undercover agents or cooperating witnesses represented that the cash was the proceeds of narcotics trafficking activities. In return for the cash, the undercover agents and cooperating witnesses received more than 100 kilograms of gold, which they told the defendants would be smuggled to Colombia. To make the gold less likely to be detected by Customs inspectors,

the gold suppliers on some occasions molded the gold into common items, such as tools, belt buckles, screws or other types of hardware, or mixed the gold with other substances or painted it to obscure its color.

The individuals arrested yesterday, all of whom were charged with money laundering, were:

(1) JAIME ROSS, 50, owner of ROSS REFINERS, located at 47 West 47th Street in Manhattan, and a resident of Manhattan;

(2) ROMAN NEKTALOV, 73, an owner of ROMAN JEWELERS, located at 74 West 47th Street in Manhattan, and a resident of Forest Hills, New York;

(3) EDUARD NEKTALOV, 45, an owner of ROMAN JEWELERS, located at 74 West 47th Street in Manhattan, and a resident of Forest Hills, New York;

(4) EDWIN FERNANDEZ, 31, owner of NICHOLAS REFINERS, located at 37 West 47th Street in Manhattan, and a resident of Seaford, New York;

(5) LUIS ALBERTO QUICHIZ, 42, owner of ALBERTO JEWELRY, located at 44 West 47th Street in Manhattan, and a resident of Flushing, New York;

(6) JHON RIASCOS, 42, an associate of ALBERTO JEWELRY, and a resident of West New York, New Jersey;

(7) IVAN RIASCOS, 44, a resident of Avenel, New Jersey;

(8) HUGO EMILIO VALCARCEL, 68, owner of HUGO'S JEWELRY SUPPLIES, INC., located at 21 West 46th Street in Manhattan, and a resident of Manhattan;

(9) EDWIN OBREGON-TORRES, 35, owner of ZARKOUS JEWELRY, located at 37-61 89th Street, Jackson Heights, New York, and a resident of Elmhurst, New York;

(10) EDUARDO RAMEREZ, 48, an employee of ZARKOUS JEWELRY, and a resident of Sunnyside, Queens; and

(11) MOISES AUGUSTO QUINONES, 48, a resident of Sunnyside, Queens.

The charges were the result of an investigation conducted by the El Dorado Task Force, which specializes in investigating money laundering violations, and which comprises agents of the United States Bureau of Immigration and Customs Enforcement, Department of Homeland Security ("BICE"), and the Internal Revenue Service-Criminal Investigation Division ("IRS-CID"), as well as members of the New York City Police Department and other state and local law enforcement agencies. The investigation was conducted in cooperation with the Organized Crime Drug Enforcement Task Force ("OCDETF") program in New York.

Mr. COMEY praised the investigative efforts of the El

Dorado Task Force, as well as the BICE and IRS-CID.

Mr. COMEY said the investigation is continuing.

Assistant United States Attorneys JAMES G. CAVOLI, ANDREW J. CERESNEY and DANIEL R. MARGOLIS are in charge of the prosecution.

The charges contained in the Complaints are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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